1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	General Counsel WILLIAM L. WILLIAMS, JR., SBN 99581 Commission Counsel HOLLY B. ARMSTRONG, SBN 155142 Commission Counsel FAIR POLITICAL PRACTICES COMMISSION 428 J Street, Suite 620 Sacramento, CA 95814 Telephone: (916) 322-5660 Facsimile: (916) 322-1932 Attorneys for Plaintiff SUPERIOR COURT OF THE STATE IN AND FOR THE COUNTY OF S FAIR POLITICAL PRACTICES COMMISSION, Case a state agency, Plaintiff, DEC. Plaintiff, DEC. N. MOT AME CAGUA CALIENTE BAND OF CAHUILLA INDIANS, and DOES I-XX, Date: Defendants. Dept: Judge Actic	SACRAMENTO No. 02AS04545 LARATION OF STEVEN ITO RUSSO IN SUPPORT OF TON TO AMEND FIRST ENDED COMPLAINT I.P. § 473(a)] November 26, 2002 : 2:00 p.m.
22 23		ws:
24	1. I am an attorney at law licensed to practice before all of the courts of the State of	
25	California and I am the Chief of the Enforcement Division of the Fair Political Practices Commission.	
26	The following statements are based upon my personal knowledge, and I could competently testify	
27	thereto if called as a witness.	
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- 2. The Fair Political Practices Commission proposes to file a Second Amended Complaint for Civil Penalties and Injunctive Relief Under the Political Reform Act of 1974, As Amended (hereinafter "Second Amended Complaint"), a true and correct copy of which, with the changes highlighted, is attached hereto as Exhibit A and is incorporated herein by this reference.
- 3. The Second Amended Complaint changes the First Amended Complaint in the following particulars only:
 - a. Government Code § 91005.5 is added to the caption as a basis for the complaint.
- b. A Second Cause of Action for One Violation Failure to Report a Contribution to a Statewide Ballot Measure Committee on a Semi-Annual Campaign Statement is added on page 6 at line 10 through page 7, line 26.
- c. The original Second Cause of Action is renumbered to be the Third Cause of Action.
- d. The title of the new Third Cause of Action is changed from Fourteen Violations to Thirteen Violations to accurately reflect the number of violations asserted against the defendant in that Cause of Action.
- e. The original Third Cause of Action is renumbered to be the Fourth Cause of Action.
- f. Specific changes are made to the Prayer for Relief to correspond to the changes made to the body of the complaint. In particular, a request for injunctive relief is added to the prayer for the new Second Cause of Action, and the original First and Second Causes of Action, which were consolidated for purposes of the prayer, are now treated separately as the First and Third Causes of Action, and the original Third Cause of Action is now denominated the Fourth Cause of Action to correspond with the same change in the body of the complaint.
- 4. This is an action for civil penalties and injunctive relief for violations of the Political Reform Act of 1974, of which the Fair Political Practices Commission is charged with ensuring compliance and enforcing. The FPPC originally filed its complaint against Defendant Agua Caliente Band of Cahuilla Indians (hereinafter "the Agua Caliente Band") on July 31, 2002, with one cause of action, and asserting only one violation of the Political Reform Act to preserve the statute of limitations

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27 28 as to that violation, while the FPPC attempted to negotiate a settlement with the Agua Caliente Band. When settlement discussions did not progress, and the FPPC's deadline to serve the complaint under the court's Accelerated Civil Trial rules was approaching, the FPPC filed its First Amended Complaint on September 26, 2002, and served Defendant with the Complaint and the First Amended Complaint.

- 5. Yes on Proposition 51, Conservationists, Farmers, Home Builders, Native Americans, Higher Education, Community Groups Seeking Safe and Reliable Transportation, a Project of the Planning and Conservation League (hereinafter "Yes on 51"). is a state ballot measure committee, which is primarily formed to support the passage of Proposition 51 in the November 2002 general election. Proposition 51 proposes that sales and use taxes from the sale or lease of motor vehicles be redirected to finance specified transportation and other projects. Timely disclosure of the contributions supporting this measure is, therefore, especially important, so that voters may be able to evaluate who might stand to gain from passage of the measure. Among the projects provided for under Proposition 51 is the expenditure of \$15 million in public funds per fiscal year, for eight years, for a passenger rail line from Los Angeles to Palm Springs and Indio, that will include a rail terminal on Ramon Road in the mid-Valley section of the Coachella Valley, and improvements to an existing rail terminal in Palm Springs. I am informed and believe, and thereon allege that Defendant Agua Calliente Band operates a casino on Ramon Road at Bob Hope Drive, in the mid-Valley section of the Coachella, and another casino in Palm Springs.
- 6. Subsequent to the filing of the First Amended Complaint, within the last two or three weeks, in the course of its continuing investigation of the Agua Caliente Band's political activities for its prosecution of this case, the FPPC discovered that on or about March 13, 2002, the Agua Caliente Band issued a \$125,000 check, from its Economic Development fund, made payable to the "Planning & Conservation League." The voucher attached to the check describes the expenditure as "Ramon/Bob Hope/Train Ter" and as a "2nd Installment." A true and correct copy of the check and attached voucher is attached hereto as Exhibit B, and is incorporated herein by this reference.
- 7. On the quarterly campaign statement that it filed electronically on or about July 31, 2002, for the reporting period January 1, 2002 through March 31, 2002, Yes on 51 reported the \$125,000 check issued by Defendant Agua Caliente Band on March 13, 2002, as a contribution from

"Agua Caliente Band of Cahuilla Indians Economic Development." True and correct copies of the relevant pages of Yes on 51's quarterly campaign statement are attached hereto as Exhibit C and are incorporated herein by this reference. Note that, because this document was filed electronically, it was electronically signed, and a physical signature is not necessary for the verification to be valid.

- 8. Based on the above-stated facts, it became necessary for Plaintiff FPPC to amend its complaint to allege, based upon information and belief, that on or about March 13, 2002, Defendant Agua Caliente Band made a contribution of \$125,000, from its Economic Development fund, designated for Yes on Proposition 51, with the Planning and Conservation League serving as an intermediary for that contribution. Defendant Agua Caliente Band did not disclose this \$125,000 contribution on its semi-annual campaign statement, which was filed on or about July 31, 2002, for the reporting period January 1, 2002 through June 30, 2002. Defendant Agua Caliente Band further misreported its total contributions for this period by at least \$125,000.
- 9. Defendant Agua Caliente Band has not yet responded to the First Amended Complaint, and has until November 15, 2002, to do so, pursuant to an agreement between the parties that service of the First Amended Complaint was deemed completed on October 16, 2002, and that an initial response to that complaint is due 30 days from that date.
- 10. It is necessary that the FPPC be permitted to file its Second Amended Complaint so that justice may be served and so that all of the Agua Caliente Band's violations of the Political Reform Act to date may be resolved in one action, rather than requiring the FPPC to bring multiple actions to resolve these matters against the Agua Caliente Band.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, except for those matters stated on information and belief and as to those matters, I believe them to be true.

Executed this 29th day of October, 2002 at Sacramento, California.

STEVEN BENITO RUSSO